

**Indian River County, Florida
Solid Waste Disposal District
Board Memorandum**

Date: March 25, 2022

To: Jason E. Brown, County Administrator

From: Sean C. Lieske, Director of Utility Services

Prepared By: Himanshu H. Mehta, PE, Managing Director, Solid Waste Disposal District

Subject: Procurement of a High Pressure Skid System

Descriptions and Conditions:

The Solid Waste Disposal District (SWDD) has been operating a voluntary “low-pressure” landfill gas (LFG) collection and control system since 2004. Over the past 17 years, the system has incurred routine wear and tear with certain items being refurbished or replaced.

On October 12, 2021, the SWDD Board approved Work Order No. 44 to Kimley-Horn and Associates, Inc., (KHA) in conjunction with Biogas Engineering (BGE) to provide the design services to replace the current LFG flare skid by improving the blower system from a “low-pressure” to a “high-pressure” system, convert the mechanical relays to a programmable logic controller, and install a new flare that is properly sized for current and future needs. The approved scope also included the construction of a new LFG pipeline.

These upgrades will accommodate the LFG needs of two ongoing projects. The leachate evaporation system (currently in design) will be constructed approximately ½ mile from the existing LFG skid, and the renewable natural gas (RNG) project by Nopetro Eco District, LLC (in design) will be located on the neighboring Indian River EcoDistrict property. Both projects will utilize LFG as a fuel source. Therefore, a new LFG pipeline will be constructed to serve each project, and the LFG blower skid will be upsized to provide the necessary pressures to serve each facility.

The high pressure skid system design is in final stages of completion; however, current market conditions and availability of materials have indicated that the lead-time for delivery of the LFG skid components will exceed 30+ weeks. In order to reduce the procurement time, staff requested KHA to review quotes from various suppliers for the fabrication of the high pressure skid system.

Based on the evaluation by KHA, staff is recommending that we proceed with an agreement with BGE for the procurement of the high pressure skid system.

Analysis:

KHA has provided the attached evaluation of the bids from Perennial Energy, Inc. (PEI), LFG Specialties (an Aptim company) and BGE’s fabrication group.

<i>SUPPLIER</i>	<i>QUOTE</i>	<i>DELIVERY TIME</i>	<i>COUNTY PROCUREMENT TIME</i>	<i>TOTAL TIME</i>
BGE	\$ 789,000	35	8	43
PEI	\$ 758,054	38	8	46
LFG	\$ 768,503	41	8	49

Based on the current design work by BGE and the shorter delivery time, staff supports KHA’s evaluation to select BGE as the supplier for the high pressure skid system. An additional two (2) month delay would occur if we were to advertise for 30 days and then select a supplier. An additional consideration in selecting BGE is that the shorter delivery time will equate to a faster transition from purchasing natural gas to using our own landfill gas. Given the fluctuation in fuel pricing, the slightly higher pricing for BGE fabrication should offset the savings in not purchasing natural gas.

As part of the October 12, 2021, agenda item, it was referenced that the landfill gas flare skid improvements were estimated to be \$1,000,000. The majority of the cost was for the fabrication of the system, and the rest was for the in-field installation. The current proposal from BGE is consistent with these cost estimates.

Funding:

The landfill gas flare skid improvements are considered a “closure activity” and, as such, is funded from an escrow account long established per Florida Department of Environmental Protection (FDEP) requirements. Funding for the for the landfill gas flare skid improvements in the amount of \$789,000 is available in the SWDD/Accrued Closure – I, II & Infill account, number 411-239006 (escrow), which is funded from SWDD assessments and user fees.

DESCRIPTION	ACCOUNT	AMOUNT
SWDD/Accrued Closure – I, II & Infill	411-239006 (Escrow)	\$789,000

Recommendation:

Solid Waste Disposal District (SWDD) staff recommends that its Board approve the following:

- a) Waive the requirement for bids to fabricate the high pressure skid system.
- b) Approve the agreement with Biogas Engineering to fabricate the high pressure skid system for a not-to-exceed cost of \$789,000 and delivery in 35 weeks from notice to proceed.
- c) Authorize the Chairman to execute the same, after final terms and conditions have been approved by the County Attorney.
- d) Authorize payments as detailed in Section XI of the agreement.

Attachment:

- 1. KHA Evaluation Memo
- 2. BGE Fabrication Agreement